

# ThermWise Update

## SWEEP Workshop 2008

Dan Dent  
Director, Demand Side Management

November 13, 2008



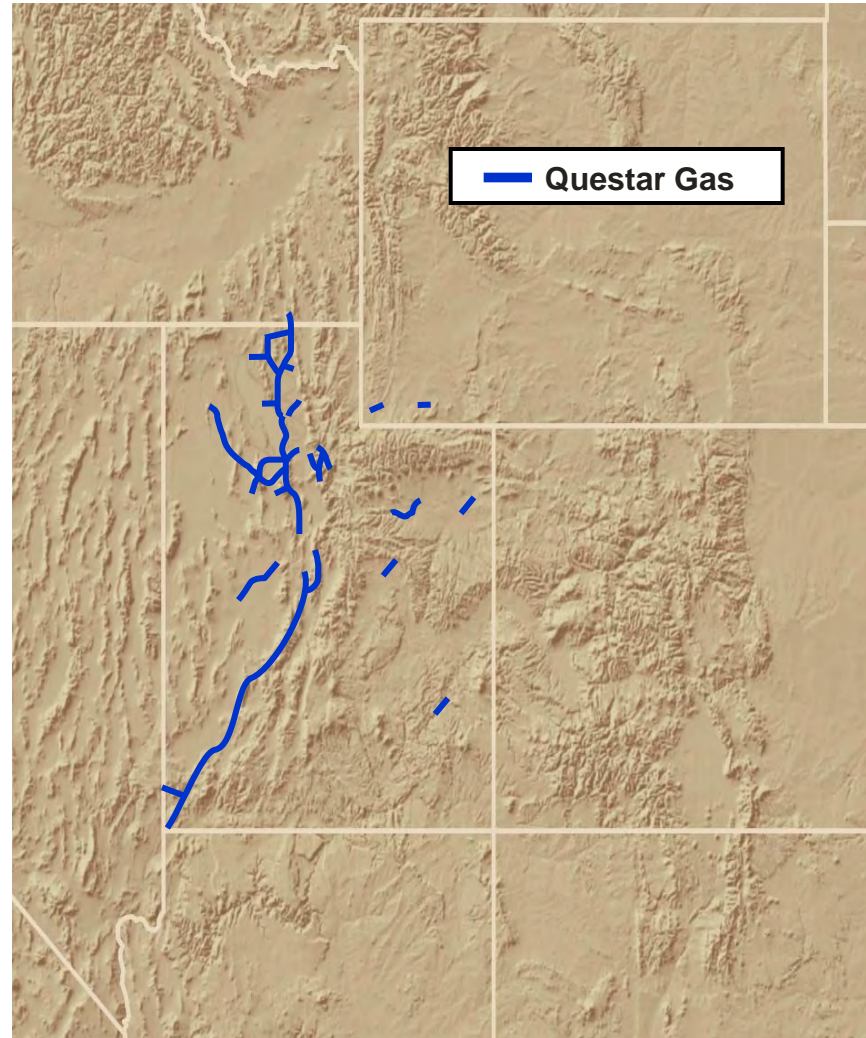
**QUESTAR**  
*Gas*



# Questar Gas Company

## Year-End 2007

<b>Communities served</b>	<b>281</b>
<b><u>Customers</u></b>	
Residential	809,838
Commercial/Industrial	63,769
<b><u>Annual deliveries</u></b>	
Residential	69 MMdth
Commercial/Industrial	93 MMdth
<b>Rate Base</b>	<b>\$773 million</b>



# ThermWise Campaign

- Market transformation
  - Shifting philosophy/practices
  - Educate and train trade-allies and code officials
- Energy-efficiency programs
  - Effective: January 1, 2007
- Customer education/awareness
  - Advertising, bill Inserts, dealers/contractors
  - Codes Training

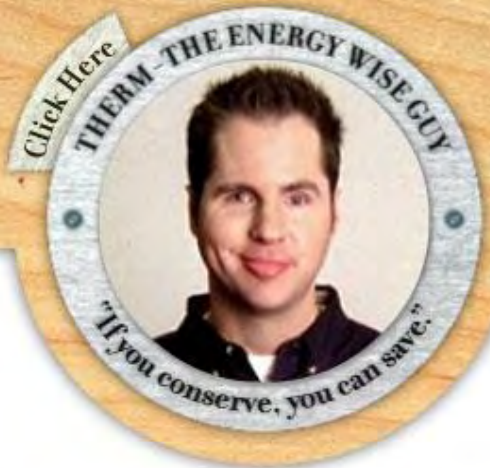
# ThermWise Programs

- Home Energy Audits
- Appliance Rebates
- Weatherization Rebates
- Builder Rebates
- Multifamily Rebates (New in 2008)
- Business Rebates (New in 2008)
- Low-Income Wx Funding

# ThermWise Marketing

- Advertising Campaign
  - TV, Radio, Print, Theater, HTR, Billboards
- **ThermWise.com**
- Questar Gas Publications
  - Inserts, Newsletters
- Marketing Collateral
- Alliance Network
  - POP, Promotions, Direct Sales,
- Related Questar Gas Co-op Advertising





Welcome to

# ThermWise.com

*"You've come to the right place  
for energy-saving tips and rebates  
from Questar Gas."*

Home Audits 

Appliance Rebates 

Weatherization Rebates 

Business Rebates 

Builder Rebates 

Energy-Saving Tips

TV/Radio Ads

Oprime aqui para español

Site Index

 Learn more about ENERGY STAR homes



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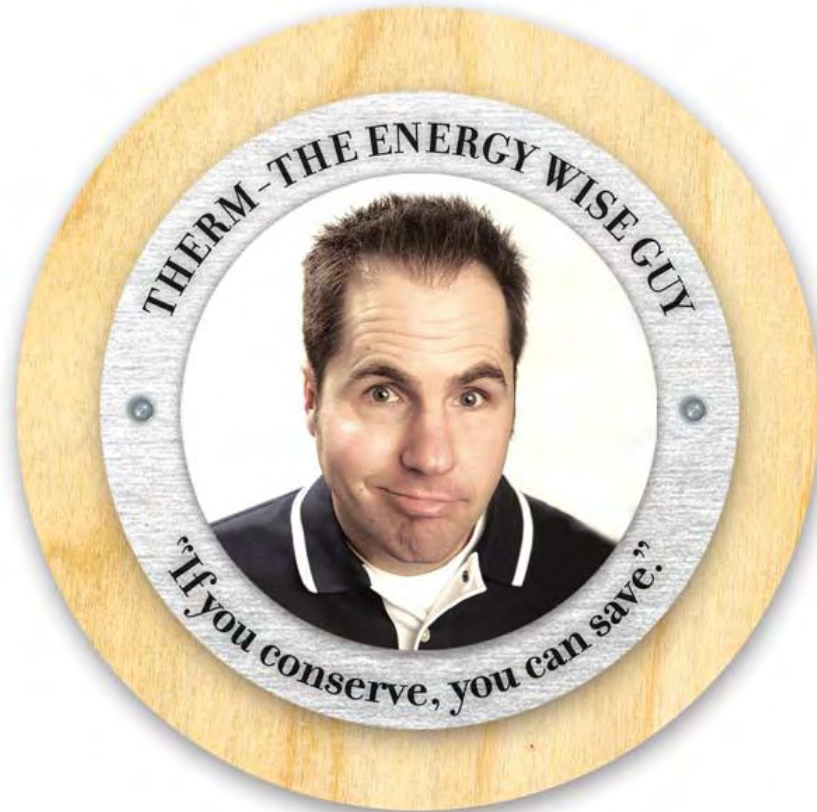


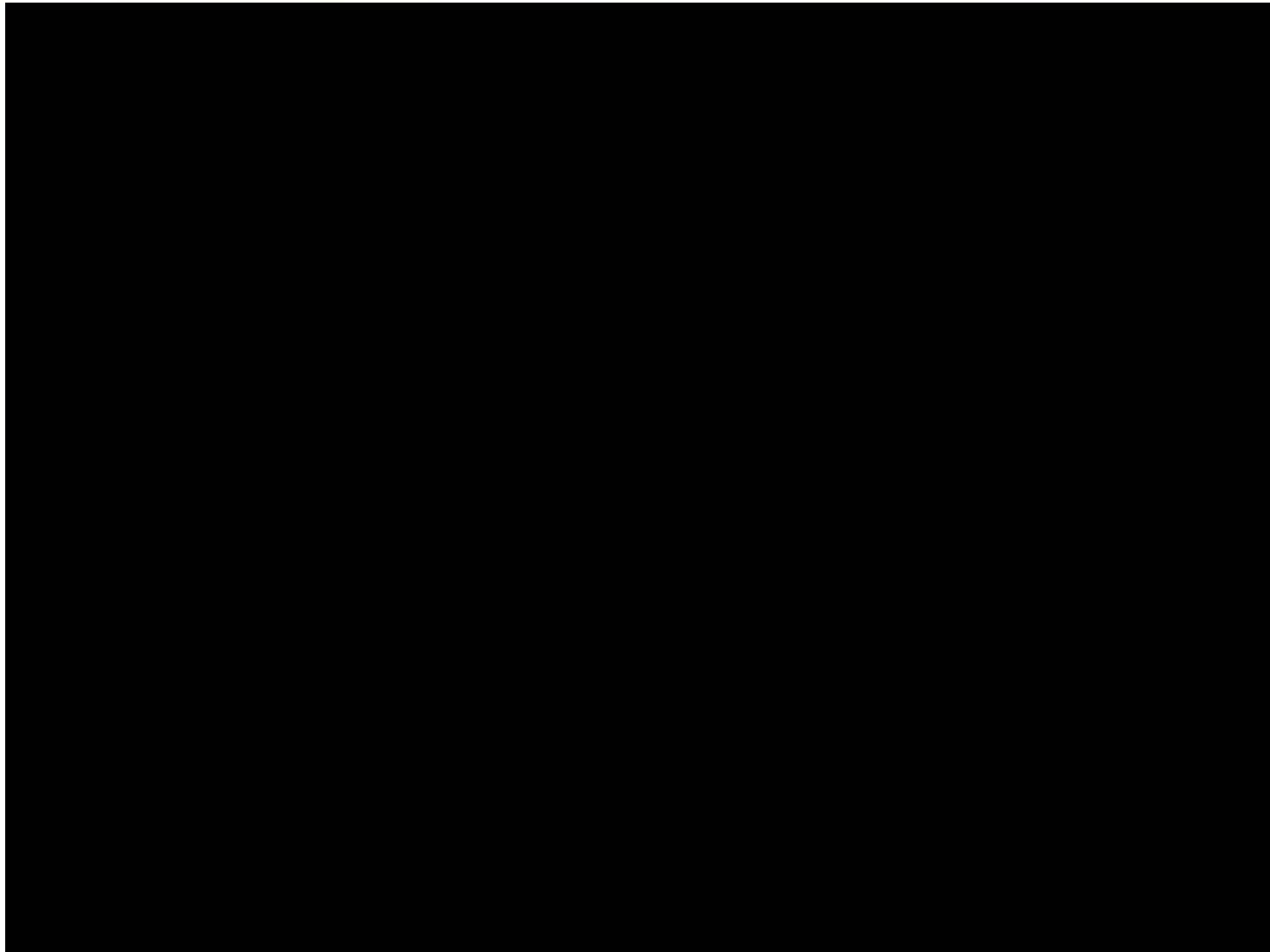
ThermWise.com

# ThermWise Promotions



# Introducing Therm





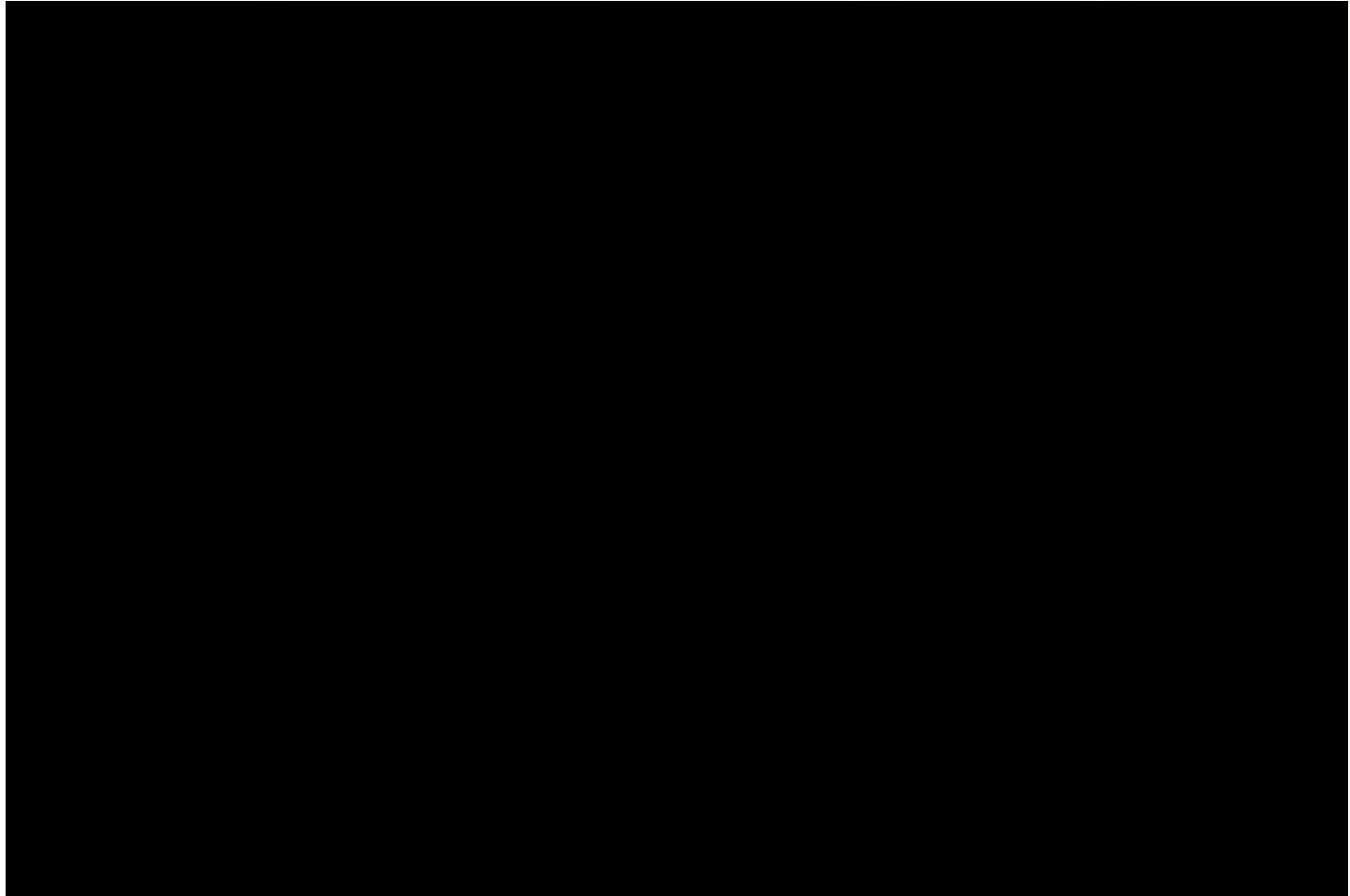
“You are not a loser”





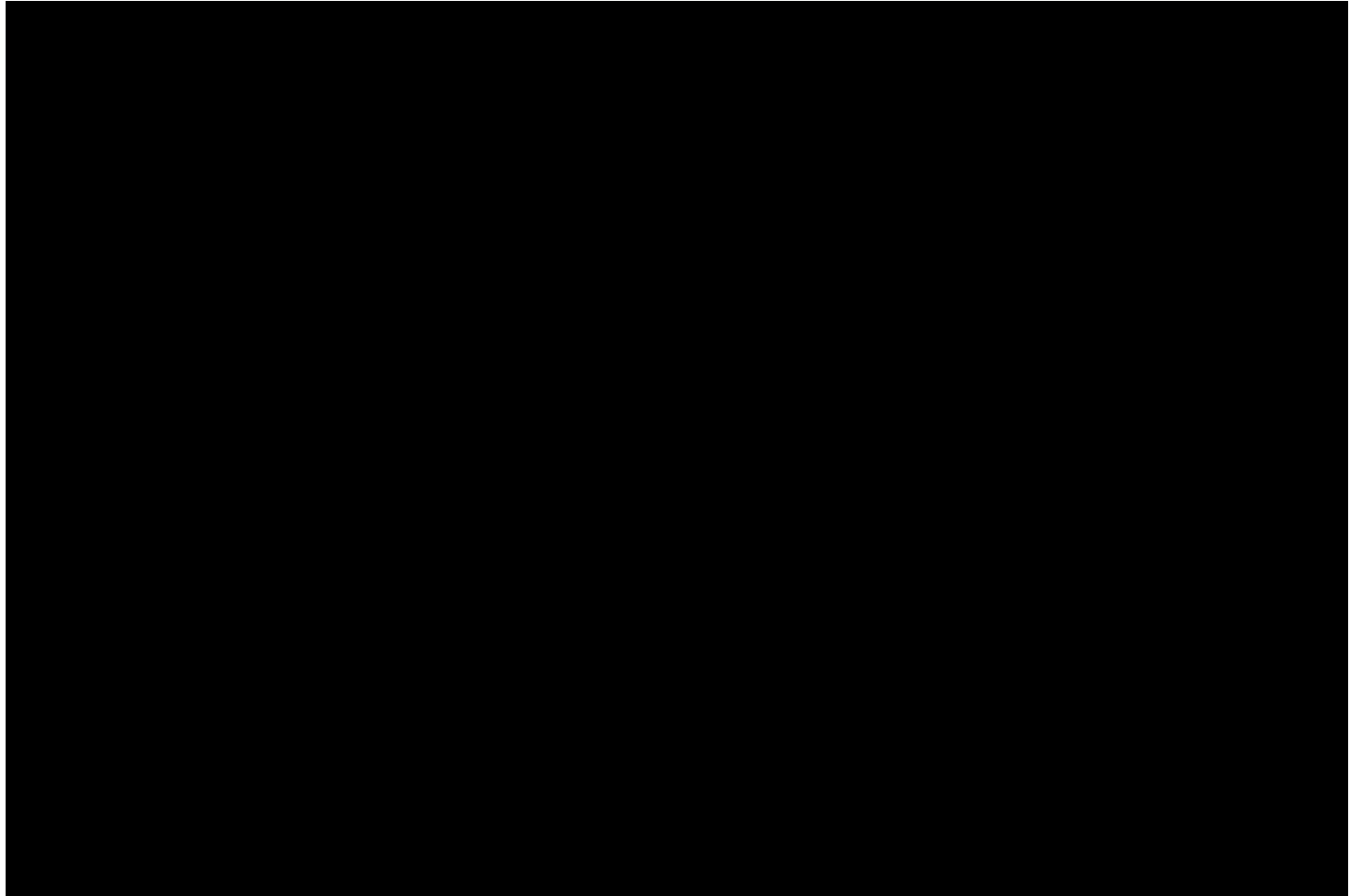
“You with the nachos”





“Olympic Swimming”



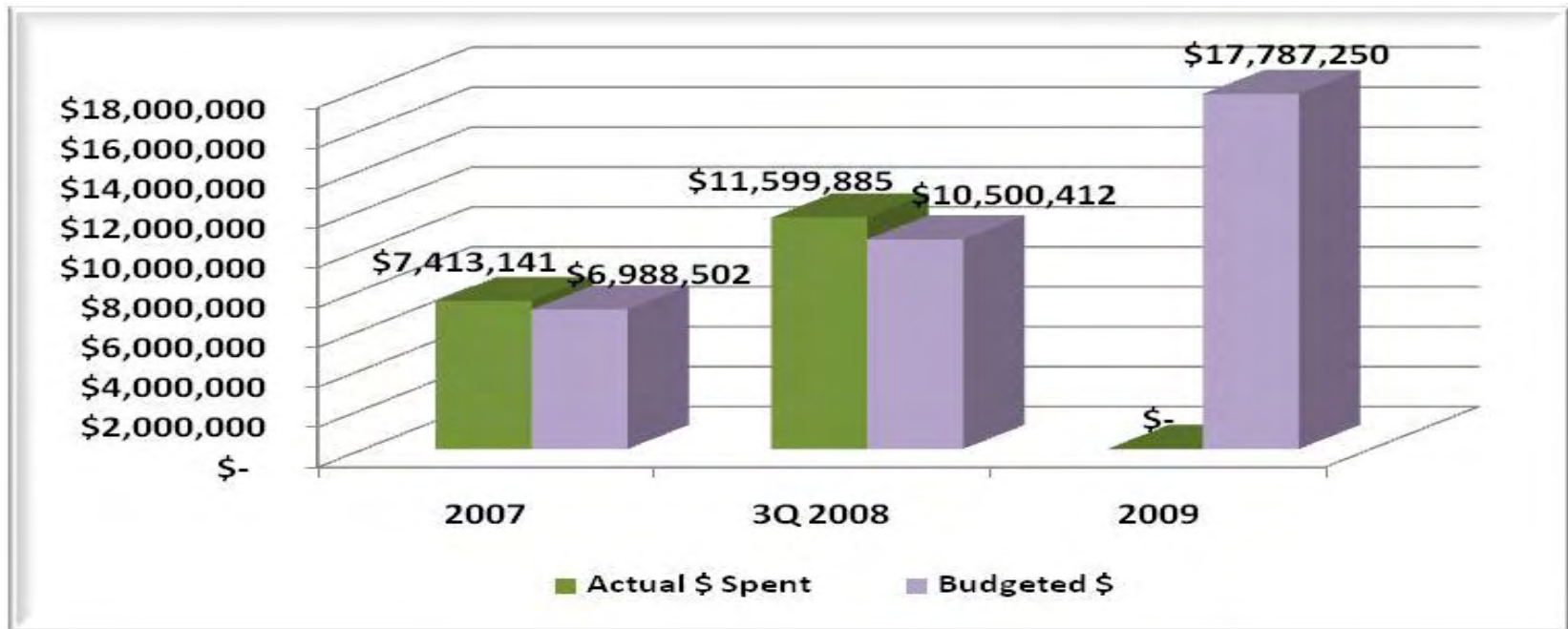


“Election Campaign”



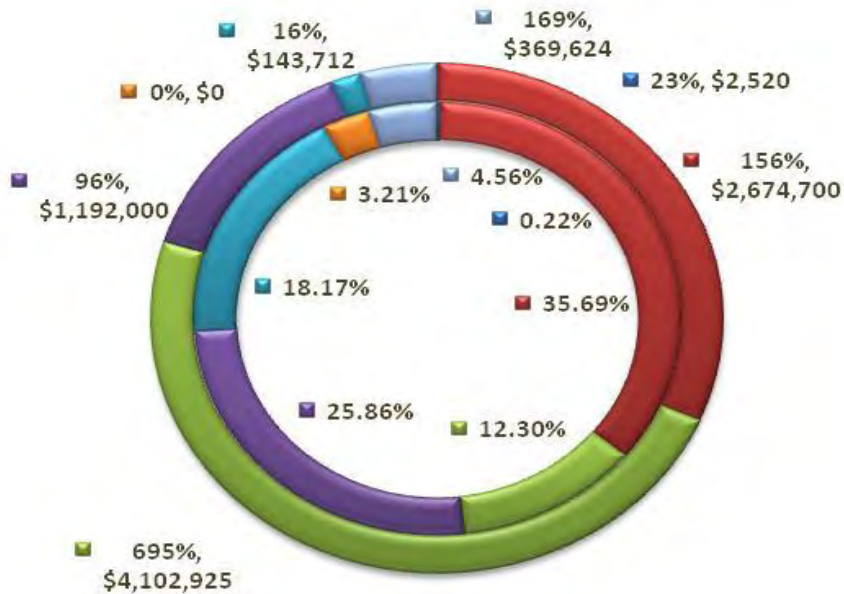
# Spending Update

Actual Program Spending vs. Budgeted \$



# 2008 Incentives

2008 Incentive Budget vs. % of Budget Spent  
(by program)

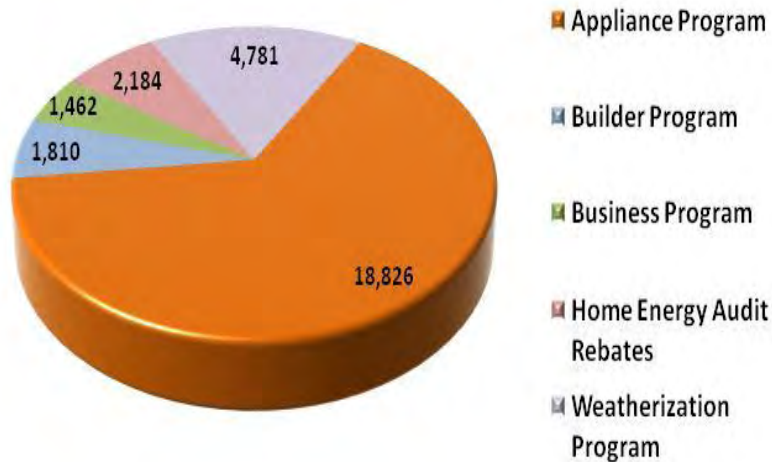


- ThermWise Home Energy Audit
- ThermWise Appliance Program
- ThermWise Weatherization Program
- ThermWise Builder Program
- ThermWise Multifamily Program
- ThermWise Business Custom Program
- ThermWise Business Program
- TOTAL THERMWISE PROGRAM DTH SAVINGS

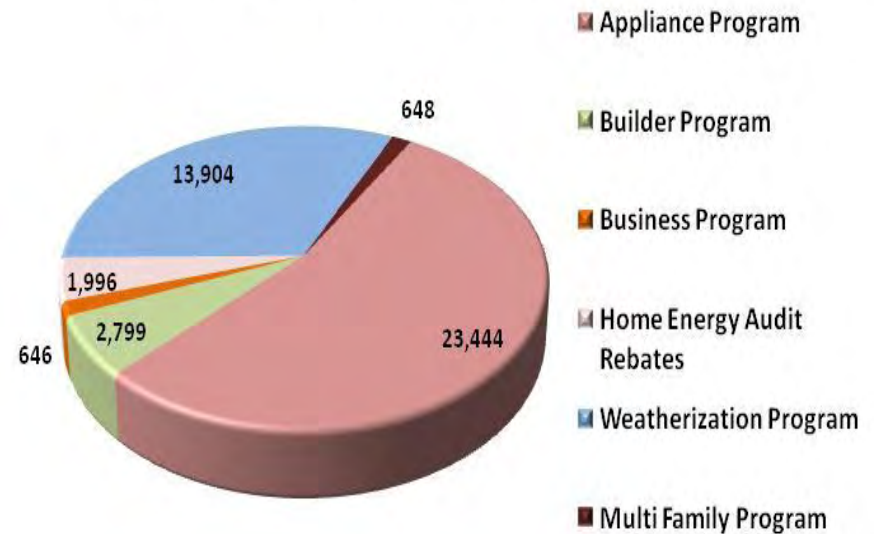
Inner Ring = Share of 2008 Incentive Budget by Program  
Outer Ring = % of 2008 Incentive Budget Spent by Program

# Participation Update

## 2007 ThermWise Program Participation

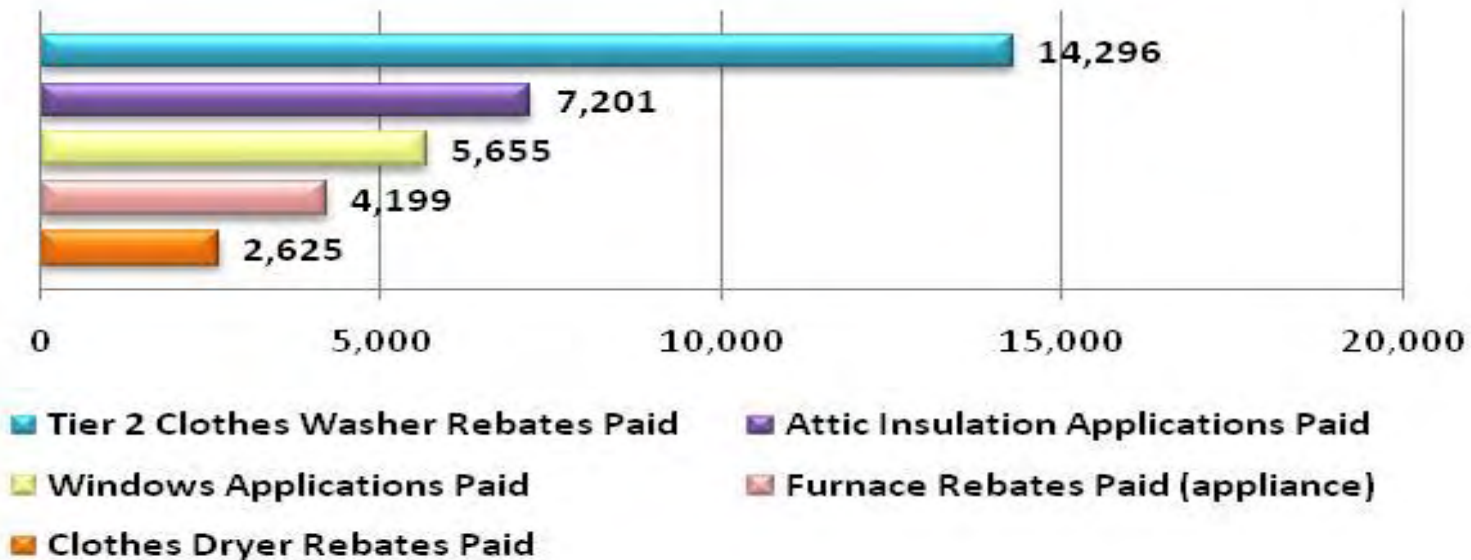


## 2008 ThermWise Program Participation



# Top Program Measures

**ThermWise 2008 Top Measures** (# of Participants thru 3Q)

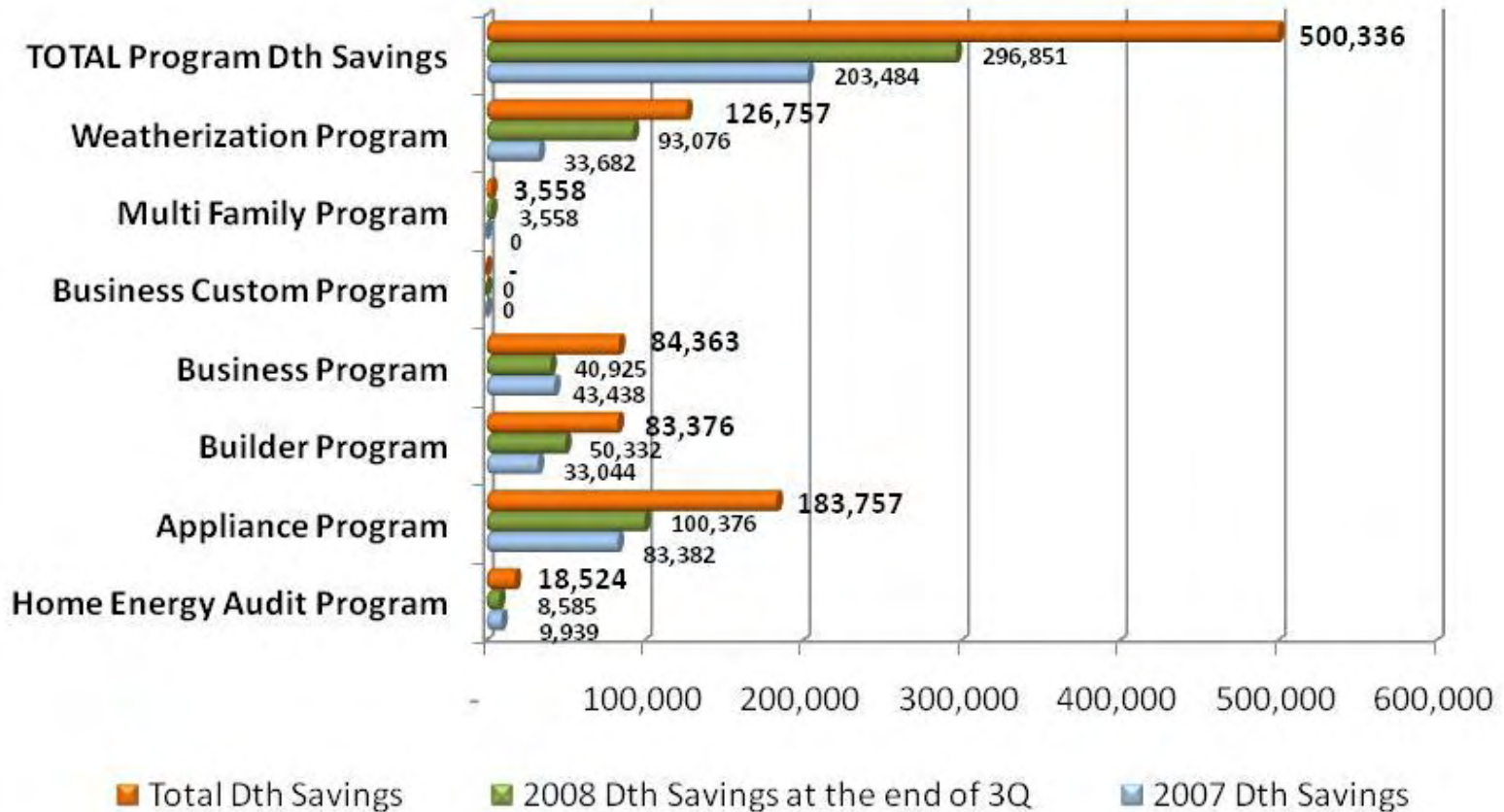


# Communications

## 2008 ThermWise Customer Interactions



# Program Savings



# ThermWise Summary

- **Customers win:**
  - Reducing energy usage and potentially costs
  - Improving the environment
- **Alliance members win:**
  - Increased demand for more high-efficiency equipment
  - Increased marketing visibility
  - Potential co-op advertising opportunities
- **Questar Gas win:**
  - Aligning with customer needs and demand
  - Establishing and maintaining alliance partnerships
  - Revenue stabilization



# ThermWise Home-Energy Audits

- Two Options
  - Both Options Include
    - No-charge efficiency applications
      - Low-flow shower head, water-heater blanket, faucet aerator, water-pipe insulation
    - Customized audit report with recommendations
  - In Home Includes
    - Questar Gas audit technicians
    - On-site report
    - \$25 refundable charge
  - Mail-in Includes
    - Customer do-it-yourself
    - No Charge



# ThermWise Appliance Rebates

Appliance	Qualification	Rebate
ENERGY STAR clothes washer	MEF 1.72 – 1.99 (must have gas water heating)	\$50*
ENERGY STAR clothes washer	MEF 2.0 or higher (must have gas water heating)	\$75*
High-efficiency gas dryer	Moisture sensor included	\$30*
High-efficiency gas storage water heater	EF of 0.62 or higher, minimum 40-gallon capacity	\$50*
Tankless gas water heater	EF 0.80 or higher	\$300*
High-efficiency gas furnace	90% AFUE or higher	\$300*
High-efficiency gas boiler	85% AFUE or higher	\$400*
Solar Assisted Gas Water Heating	Active system certified OG-100 by SRCC	\$750*



\* 2 max./home

# ThermWise Weatherization Rebates

Efficiency Measure	Qualification	Rebate
Windows	U-factor of 0.35 or better	\$.95 / sq. ft.
Attic insulation	Minimum increase of R-19	\$.35 / sq. ft.
Wall insulation	Minimum increase of R-11	\$.45 / sq. ft.
Floor insulation	Minimum increase of R-11	\$.35 / sq. ft.
Duct sealing*	Meet performance-tested comfort system (PTCS)	\$225
Duct insulation*	R-6 or higher	\$250

\* Requires qualified contractor installation



# ThermWise Builder Rebates

Appliance	Qualification	Rebate
ENERGY STAR whole house certification	HERS Index of 85 or lower	\$500
Federal tax credit home	ENERGY STAR certification + Federal energy tax credit qualification (50% better than 2006 IECC)	\$800
High-efficiency gas storage water heater	EF of 0.62 or higher, minimum 40-gallon capacity	\$50
Tank less gas water heater	EF of 0.80 or higher	\$300
High-efficiency gas furnace	90% AFUE or higher	\$300
High-efficiency gas boiler	85% AFUE or higher	\$400
Solar assisted gas water heating	Must be active and certified OG-100 by SRCC, one rebate per system. Systems may require multiple collectors.	\$750

Single-family dwellings with up to four separately-metered units within Questar Gas Utah service area.



# ThermWise Multifamily Rebates

(New in 2008)

- Five or more units
- For new and existing projects
- Rebates available for installation of common area or in-unit high-efficient natural gas appliances
- **ENERGY STAR certification rebate of \$250 per unit (new construction only)**



# ThermWise Business Rebates

- Business rebates for buying and installing qualifying energy-efficiency measures
  - Must have active **General Service** account
  - Must be a **Questar Gas Utah** customer
  - Rebate categories
    - Gas **space heating** applications
    - Gas **water heating** applications
    - **Control systems** for gas applications
    - Gas **boiler tune-ups**
    - **Weatherization applications**
    - **Commercial food service**
      - Pre-rinse spray valves



# ThermWise Business Custom

(New in 2008)

- Customer Eligibility
  - Commercial GS-1 Customers in Idaho and Utah
- Measure Eligibility
  - Pre-analysis requirement for all projects
  - Incentives for retrofit & new construction
  - New equipment must be installed at a qualifying customer site
- Program Rebates
  - \$10.00 per Dth saved during the first year, or
  - 50% of the eligible incremental project cost



# 2008 ThermWise Results

DEMAND SIDE MANAGEMENT 3Q ACTUAL PARTICIPANTS 2008 - PROGRAM PORTFOLIO DESCRIPTIONS (1 Year)						
PROGRAMS	Total Resource Cost		Participant Test		Utility Cost Test	
	NPV	B/C	NPV	B/C	NPV	B/C
Thermwise Appliance Rebate	\$4,588,567	1.9	\$6,583,509	2.2	\$6,378,383	3.1
Thermwise Business Rebates	\$2,933,604	4.9	\$2,904,807	4.5	\$3,226,158	8.2
Thermwise Builder Rebates	\$3,031,742	2.1	\$4,214,540	2.4	\$4,138,606	3.5
Thermwise Weatherization Rebates	\$7,449,581	2.5	\$10,053,625	2.7	\$7,989,842	2.8
Thermwise Home Energy Audit	\$100,801	1.3	\$546,718	18.0	\$95,186	1.2
Low Income Weatherization	\$7,108	1.0	\$197,712	0.0	\$7,108	1.0
Thermwise Multi-Family Rebates	-\$183,425	0.7	\$280,203	2.0	-\$103,928	.8
Thermwise Business Custom Rebates	-\$42,455	0.0	\$0	N/A	-\$42,455	0.0
Market Transformation	-\$748,854	0.0	\$0	N/A	-\$748,854	0.0
<b>Totals</b>	<b>\$17,136,668</b>	<b>2.1</b>	<b>\$24,781,114</b>	<b>2.6</b>	<b>\$20,940,044</b>	<b>2.8</b>



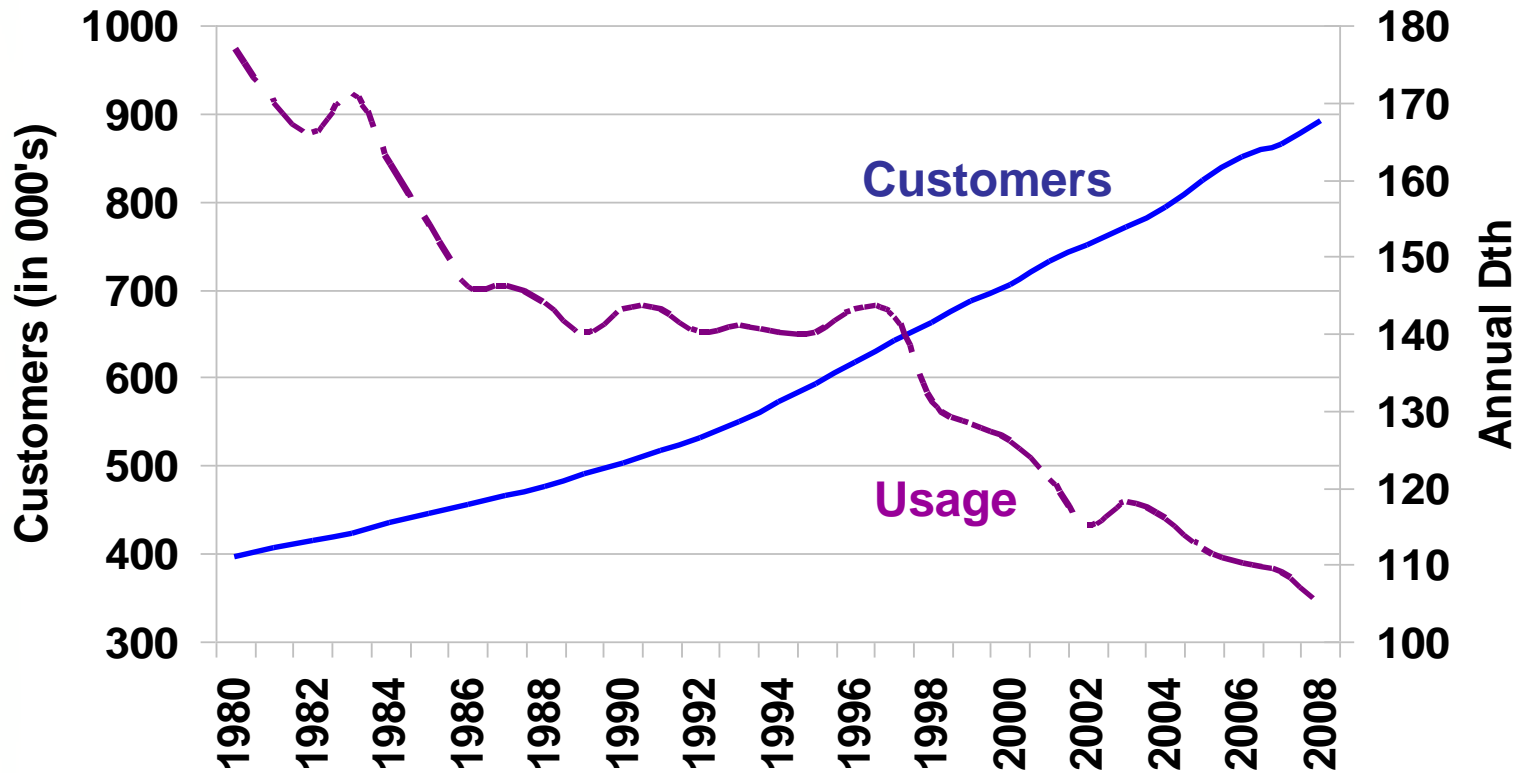
# 2008 ThermWise Status

Questar Gas Company  
Energy Efficiency Report  
As of September 30, 2008

Line #	Program	Year-to-date 2008			
		Actual Participants	Est. Annual Participants	"Actual" Dth Savings	Est. Annual Dth Savings
1	ThermWise Appliance Rebates	23,444	16,185	81,147	64,930
2	ThermWise Builder Rebates	2,799	3,180	40,339	49,770
3	ThermWise Business Rebates	646	820	32,796	25,962
4	ThermWise Home Energy Audits**	1,996	3,952	6,868	13,074
7	ThermWise Weatherization Rebates	13,904	2,221	74,461	14,157
8	ThermWise Multi-family Rebates	648	2,990	2,846	23,300
9	ThermWise Business Custom Rebates	-	50	-	15,395
5	Market Transformation	N/A	N/A	N/A	N/A
6	Low Income Weatherization	N/A	N/A	N/A	N/A
10	<b>Programs Total</b>	<b>43,437</b>	<b>29,398</b>	<b>238,457</b>	<b>206,588</b>



# QGC Customer Growth/Usage per Customer





# The Questar Gas Solution

- Conservation Enabling Tariff (CET)
  - Purpose:
    - Align with customers needs
    - Remove economic barrier to aggressively pursuing customer energy efficiency
    - Collect Public Service Commission allowed revenue (Revenue Decoupling)

# CET

Approved Oct. 5, 2006 as a 3-year pilot

- Revenue Stabilization Mechanism
  - “Decouples” Revenues from Volumes
- Enables Company to Promote Efficiency w/o Disincentive
- Contingent upon:
  - Low-income weatherization-assistance funding
  - Development and immediate introduction of energy-efficiency programs

# Energy-Efficiency Activities

- Within 60 days of **CET** approval, Company filed for approval of 5 **DSM** programs
  - Created DSM department
  - Created cross-functional implementation team
  - Hired implementation contractors
  - Hired seven full-time employees
  - Coordinated with Rocky Mountain Power
  - Launched \$7M “ThermWise” Campaign